

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



7Ag

JAN 24 1967

# Agricultural Situation

DECEMBER 1966

Vol. 50, No. 12

Statistical Reporting Service  
U.S. Department of Agriculture

## Brrr . . . ANOTHER ICY WINTER? NOT FOR SOME U.S. FARMERS (Aloha!)

How would you like to harvest pineapples, papayas, dasheens, or won bok in December? Or sell \$6,000 worth of lettuce from 1 acre in a year? Or pasture your livestock all year round?

These are some things Hawaiian farmers do.

All the major islands of Hawaii are farther south than Florida, providing a near-tropical climate with so little seasonal variation that it could make a stateside snow shoveler weep. Honolulu has a mean temperature of 75°, with an average low of 72° from January through March and an average high of 78° from July through September.

Like farmers the world over, though, Hawaiians fret over too much or too little rain. The mountains and their relation to the prevailing northeast trade winds determine the pattern. The leeward beach areas often get only 20 inches of rain per year while mountain areas just 10 miles away may sop up 200 or more inches. The wettest place in the world, with 400 to 500 inches of rain a year, is on the Island of Kauai. There is no definite rainy season. But during the winter, tropical storms swing in from the south, unloading very heavy downpours.

Farmers in Hawaii have other problems, too. Crops grow 12 months but so do the weeds, insects, and plant diseases. And, though farmers don't have to worry about any killing freezes, neither do the pests.



*Winter is just a word in Hawaii—the only State which publishes a report on the papaya crop.*

Continuous cropping of land calls for heavy applications of fertilizer. In Hawaii, the supplier is rarely just down the road a piece. Many items the farmers need must be shipped in. They must pay the cost of the 2,500-mile ocean trip, too. Hawaii raises no grain, so livestock producers depend on mainland States for animal feed.

Some crops grown in Hawaii are also produced in other States, but others are typical of the tropics. Hawaiian farmers raise most of the common vegetables. But they also produce some of oriental origin such as burdock, ginger root, lotus root, dasheens, and won bok. Hawaii produces avocados, bananas, guavas, papayas, passion fruit, and pineapples—but practically no apples, peaches, or other deciduous fruits.

Besides coffee and macadamia nuts, Hawaii also markets a variety of tropical flowers, especially anthuriums and orchids. Livestock output is about the same as in other States.

Hawaiian agriculture is truly a case-book of contrasts. First, consider size of operation. Most of the sugar and pineapples are produced on large, highly mechanized farms operated with union labor. The largest sugar plantation harvested 14,000 acres in 1965. The largest pineapple company has about 30,000 acres on two different islands. Most cattle are produced on big ranches; Hawaii has the second largest cattle spread in the United States with about 250,000 acres. Other livestock items, chickens, eggs, milk, and pork, are also produced by large, specialized operations.

On the other hand, small farms grow most of Hawaii's fruits and vegetables. In 1964, farms producing vegetables for sale harvested an average of 6 acres. Coffee farms averaged about 5 acres of trees. However, the typical midwestern farm operation producing several different crop and livestock products isn't common in Hawaii.

Despite the variety in Hawaiian agri-

culture, the Aloha State depends on other areas for much of its food. About half of the fresh vegetables are shipped in. Most of the potatoes are imported. Fresh fruit supplies are about equally divided between inshipments and Hawaiian production. All canned and frozen fruits and vegetables are bought elsewhere, except for pineapples and small quantities of guavas, papayas, and passion fruit.

Hawaii produces 45 to 50 percent of the fresh or frozen beef and veal it uses, about 40 percent of the fresh or frozen pork, about 10 percent of the lamb and mutton, and about 35 percent of the chicken. No turkeys are raised commercially. However, practically all the eggs and all fresh milk are produced in the State.

Hawaii ships out sugar, pineapples, coffee, fresh ginger, fresh papayas, some processed guava, papaya, and passion fruit, macadamia nuts, and tropical flowers and foliage.

Hawaii's major crops are sugar and pineapple. Sugarcane is grown on four of the seven major islands. In 1965, Hawaii produced 1.2 million tons of raw sugar valued at \$175 million. This was 20 percent of total cane and beet sugar production for the United States, including Puerto Rico and the Virgin Islands.

Pineapples are grown on five islands. Production of fresh fruit in 1964 totaled a little more than a million tons. Usually 95 percent or more of the crop is processed. Canned pineapple and juice were worth \$128 million in 1964.

You can see that Hawaii has a unique position in U.S. agriculture. It's the steppingstone between the East and the West, between temperate and tropical agriculture. The Nation's only college of tropical agriculture and the East-West Center exchange programs for students and technical know-how train people from many countries.

P. P. Wallrabenstein  
*Statistician in Charge, Hawaii*

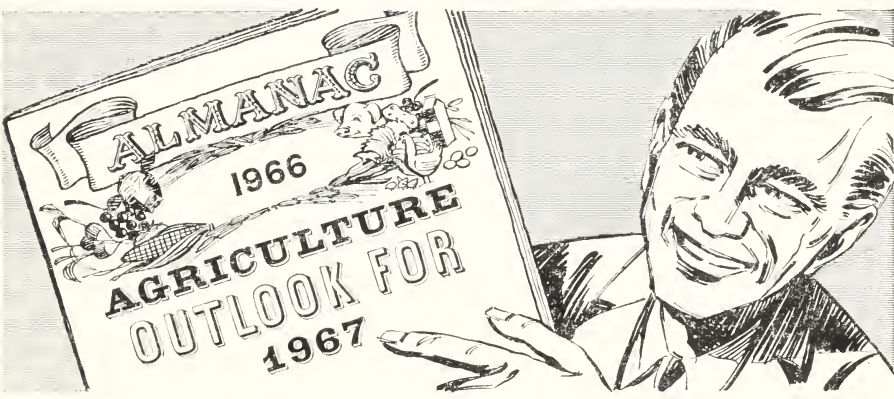
**The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.**

The Agricultural Situation is a monthly publication of the Statistical Reporting Service, United States Department of Agriculture, Washington, D.C. 20250. The printing of this publication has been approved by the Bureau of the Budget (March 12, 1964). Single copy 5 cents, subscription price 50 cents a year, foreign \$1, payable in check or money order to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.



# OUTLOOK '67

## GROSS INCOME TO HOLD GAINS, NET DOWN A BIT FROM '66



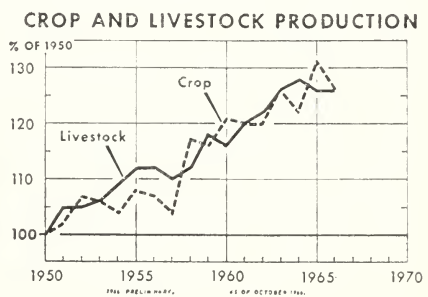
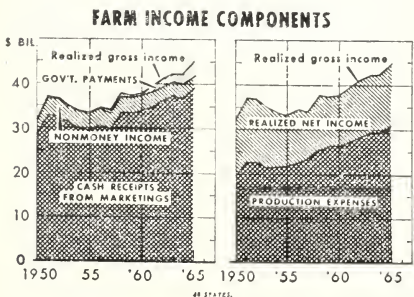
Another good price and income year. That's the prospect for 1967 even though realized net farm income may not quite measure up to the near-record 1966 level.

However, the agricultural outlook for next year is beset by greater than usual uncertainties, making it hard to project developments beyond the next 6 to 9 months. The course of the Vietnam conflict and its impact, new grain programs with added acreage and their influence on 1967 crop output, and foreign crop prospects and their effect on export markets make the outlook tough to figure.

Nevertheless, a sizable gain in farm output is likely next year. Farmers' cash receipts are also forecast to rise, but Government payments to farmers will decline slightly. Accordingly, gross farm income may be little changed from 1966.

On the other side of the ledger, farm production expenses are estimated to rise further, but the gain is likely to be smaller than this year's. This would trim net farm income perhaps as much as 5 percent from near-record 1966. Even so, the reduced net-income figure would still be above the level of other recent years.

U.S. agriculture goes into 1967 facing a supply-demand situation vastly different from the past few years. Further declines in carryover stocks, most of which were reduced sharply last summer, seem in prospect. As a result, Government programs—which in recent years have limited farm output to cope with surpluses—will generate greater output next year.



Changes in the 1967 feed grain program eliminate voluntary acreage diversion for payment, except on small farms. Also, the price-support loan on corn has been raised. These and other related changes should increase feed grain acreage by perhaps 12 to 15 million from the 120 million acres planted in 1966.

Adding in effects of other changes for crops—such as the one-third increase in the 1967 wheat acreage allotment—could bring 25 to 30 million acres back into production next year out of 55 to 60 million diverted in the past.

Program changes have been made to meet a further gain in demand and to replenish future carryover stocks. Spurred by increased domestic and foreign need for farm products, grain use in 1966 chalked up one of the biggest gains on record. And demand in the year ahead will continue to grow, though not so rapidly. Domestic requirements will continue rising, reflecting general economic growth, more jobs, and rising wages.

The sizable gain forecast for 1967 farm output is likely to come mainly in grains, soybeans, hogs, poultry, and eggs.

Farmers' prices next year may average close to 1966 levels. But increases in wages, transportation, and other costs of processing and marketing point to some gain in retail food prices. However, the rise is likely to be much smaller than the big increase this year.

## FARM FINANCIAL SITUATION LOOKS BRIGHT

With higher net farm income this year, farmers generally will enter the new year with considerably improved finances. Farm asset value is expected to reach \$273 billion on January 1, up \$18 billion from a year earlier. This also adds to a \$35 billion increase for the last 2 years, the largest gain for a like period since balance-sheet estimates began in 1940.

Total indebtedness also gained during 1966, but proprietors' equities rose \$14 billion.

Credit has tightened on the farm scene, as elsewhere in the economy. Interest rates have risen, particularly since mid-1966. This situation is expected to carry over into the spring. As a result, many farmers will have to plan and arrange financing for their spring needs before there is much chance of credit loosening.

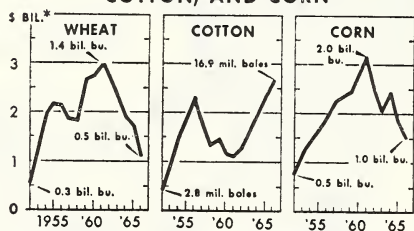
## FARM COSTS KEEP GOING UP

The costs of farming, as measured by total farm production expenses, continued upward this year. The rise probably will approach 8 percent above the \$30.7 billion in 1965.

Expenses for commodities and services of nonfarm origin are almost 5 percent above last year. And outlays for farm-produced items—feed, seed, and livestock—are up about 14 percent. Overhead costs also have continued climbing.

Farm production expenses next year will likely rise further, but not as sharply. Increases are highly probable for taxes, interest, and insurance. And higher ex-

### CARRYOVER OF WHEAT, COTTON, AND CORN



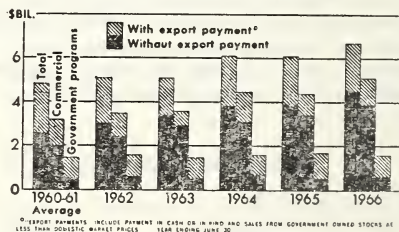
CARRYOVERS: WHEAT, JULY 1; COTTON, OCT. 1; CORN, OCT. 1. COMMODITIES VALUED AT 1955 SUPPORT LEVELS. 1966 BASED ON INDICATED PRODUCTION AND DISAPPEARANCE AS OF OCTOBER 1966.

U.S. DEPARTMENT OF AGRICULTURE

REG. 885 (12-14-66) (10) ECONOMIC RESEARCH SERVICE

### U.S. AGRICULTURAL EXPORTS

Total, Commercial, and Under Government Programs  
With and Without Export Payment Assistance



Average  
\* EXPORT PAYMENTS INCLUDE PAYMENT IN CASH OR IN KIND AND SALES FROM GOVERNMENT OWNED STOCKS AT LESS THAN DOMESTIC MARKET PRICES  
YEAR ENDING JUNE 30

U.S. DEPARTMENT OF AGRICULTURE

REG. 196 4807-6000 ECONOMIC RESEARCH SERVICE

Performance of the U.S. economy as measured by the output of goods and services—the gross national product—appears to be heading for a \$740 billion mark in 1966. This would be 8.7 percent above 1965.

Most Americans are aware that prices have been higher this year than last. The overall gain has helped to boost GNP. Prices this year will be about 2.9 percent higher than in 1965. What the economists call real GNP (the physical volume of output) will rise 5.6 percent. Since real GNP was already at a high level last year, the large rise this year has put a strain on our resources of manpower and materials.

The output gain has caused em-

ployment to grow faster than the labor force. As a result, unemployment has declined from an average 4.6 percent of the civilian force in 1965 to less than 4 percent.

Business activity in 1967 is expected to continue upward, but at a slower pace, assuming the Vietnam war goes on at the present tempo. The thrust of this year's activity will carry through into the first half, with a slower pace likely later in the year.

Economists figure that a 4½-percent rise in real GNP during 1967 would enable the economy to absorb the estimated gain in the labor force without a rise in unemployment.

penditures, due to increased output, are likely for several important production items, including fertilizer and pesticides.

The national average of all types of cash farm wage rates will be about \$1.03 per hour this year, up 8 cents from 1965. This about matches the gains during the past 2 years. Higher rates are expected in 1967, partly due to coverage of some farmworkers under the minimum wage law. Also, there's the generally tight labor market fostering keen competition from the better-paying nonfarm opportunities.

Fertilizer use in 1965 was about 5 percent over 1964. Gains in usage during 1966 were probably greater. And a further substantial rise is likely next year, because of increased crop acreages planned.

## MARKETING SPREADS TO WIDEN

Spreads between the retail cost and farm value of the "market basket" of farm foods are expected to average around 3 or 4 percent wider next year than in 1966. Most of the widening will be reflected in rises in the retail cost of these foods, since the farm value likely will be about the same as it has been this year.

The farmer's share of the dollar consumers spend for these foods next year probably will average about 1 cent below the 40-41 cents expected this year.

The bill for marketing domestic farm-originated foods bought by U.S. civilians this year is put at \$55 billion, up 6 percent from last year. This is sharply above the average yearly rise of the past decade. Farm-retail spreads increased significantly this year, and the volume of products marketed continued to grow. Receipts by farmers for these food products will likely total about \$28 billion for 1966, up \$2.5 billion from last year for the largest annual rise since 1951. Farmers' receipts next year, however, probably will be about the same as in 1966, while further gains are likely for the marketing bill and consumer expenditures.

Marketing firms' costs apparently have risen more this year than in other recent years. Hourly earnings have continued to rise. Improvements in output per man-hour, however, probably have kept unit labor costs from rising as much as hourly earnings. Prices of supplies, machinery, and various services used by marketing firms have risen more than in other recent years.

Profit ratios of corporations manufacturing food, tobacco, and textile mill products averaged about the same in the first half of 1966 as a year earlier. Profits of leading retail food chains as a percentage of sales in the first half were unchanged from the like period a year earlier.



# FOOD AID TIED TO SELF-HELP

The foreign food aid program now has a dynamic new look, thanks to recent changes in Public Law 480, the food-aid law. The changes are aimed at wider growth for U.S. exports, more sales for dollars, and more self-help by countries receiving food assistance.

All of these goals are wrapped in the legislative package signed into law this fall, amending Public Law 480.

The self-help feature is most notable. The changes spell out several important checkpoints for self-help. Hopefully, the results will show up in improved economies and enhanced diets for people in recipient countries.

New food-assistance agreements between the United States and friendly developing countries will require consideration of such elements as: Land for food rather than nonfood crops; development of needed technology for agricultural production, transportation, and other necessary industries through private enterprise; training plans for farmers to advance farming methods and techniques; adequate storage for farm products; and improved marketing systems.

Also, consideration will be given for recipient-government policies that insure sufficient incentive to producers; creation of a favorable environment for domestic and foreign private enterprise and investment, and for use of available technical know-how; setting up and expanding facilities for adaptive agricultural research; and allocating sufficient national, budgetary, and foreign exchange resources for these purposes from local currency and from foreign financial aid programs.

What's more, the law now prescribes for a cutoff of food aid to a country if it doesn't develop its agriculture adequately.

To increase dollar sales for U.S. agricultural exports, the law sets a final date, December 31, 1971, for food payments in local currencies. After that, sales must be in dollars to be paid either directly or by special financing. If these terms prove too great a burden for recipient countries, however, foreign currencies can be used, but only on credit terms that call for repayment

in dollars at agreed-upon rates of exchange. The loans can run as long as 40 years at low interest rates.

Another change in the law keys the productivity of the U.S. farm economy to the food needs of recipient countries, U.S. foreign food aid no longer has to be limited to surplus U.S. farm products.

Food assistance now can be made in any farm product or commodity needed by the assisted country. However, such production must not jeopardize our own needs or those of our regular export sales for dollars.

*Economic Research Service*

## Secretary Freeman On Food Aid

"If the need for food imports by developing countries were to continue to grow at past rates . . . reflecting inadequate rates of agricultural development . . . in a few years total food aid needs would exceed what the United States and other developed countries could supply.

"Furthermore, absence of restraints would not guarantee enough additional production of the commodities traditionally used in food aid—wheat, rice, and nonfat dry milk.

"... making the developing nations even more dependent upon food gifts is a self-defeating solution . . . when what we need is self-help on the part of those nations. To finally solve the problem of world food, the hungry nations must increase their own food production. We can help them do this with our resources and advice . . . meanwhile buying time for them with continued food aid. But no one country, not even the United States, can feed all the hungry of the world for very long . . . and the attempt to do so would end, finally, in failure and starvation."

*Excerpts from address by Secretary of Agriculture Orville L. Freeman at the 44th Annual National Agricultural Outlook Conference, November 14, 1966.*



# GOLDEN STATE CELEBRATES CENTENNIAL WITH AWARDS, BANQUET, PROCLAMATION

Four volunteer reporters were the honored guests when California marked the Crop and Livestock Reporting Centennial in Sacramento on October 10. State Department of Agriculture employees, agricultural commissioners, and industry representatives met for the occasion. Department Director Charles Paul presided. About 400 attended. The main speaker was Rodney E. Leonard, Deputy Assistant Secretary of Agriculture.

Selected to represent the more than 32,000 Californians who supply the Crop and Livestock Reporting Service with data were William D. Brinan, San Ardo, Donald G. McClain, Courtland,

Lester J. Hamel, Davis, and William J. Duffy, Jr., Woodland.

Mr. Brinan has 47 years of voluntary service on record as a livestock reporter. Mr. McClain is a pear grower. Mr. Hamel produces purebred Herefords. Mr. Duffy, a general crop reporter with 37 years of service, grows rice and other field crops.

Each honored guest received a certificate of appreciation from W. Ward Henderson, Chief of the Bureau of Agricultural Statistics, California Crop and Livestock Reporting Service. After the State Department of Agriculture assembly, a special luncheon was held for those who attended.



**VOLUNTEER REPORTERS HONORED AT CALIFORNIA CENTENNIAL ASSEMBLY:** Left to right, Harry Krade, Chief, Div. of Agr. Econ., State Dept. of Agr.; Rodney E. Leonard, Dep. Ass't Sec. of Agr.; William J. Duffy, Jr., 37-year general crop reporter, Woodland; Lester J. Hamel, 31-year livestock reporter, Davis; Charles Paul, Dir., State Dept. of Agr.; Donald C. McClain, 26-year fruit crop reporter, Courtland; William D. Brinan, 47-year livestock reporter, San Ardo; W. Ward Henderson, Chief, Calif. Crop and Livestock Rept. Serv.; and James Franklin Bennett, Dep. Dir., State Dept. of Agr.

## COMMODITIES IN REVIEW

**LIVESTOCK AND MEAT:** Several recent developments—a drop in cow slaughter since mid-1966 and a narrowing of the gain in number of heifers placed on feed—hint that cattlemen are taking steps to build up cattle herds. They evidently have an optimistic 1967 price outlook.

As a result of the developments, cattle and calf slaughter probably will fall off somewhat next year. Slaughter of all classes may run below 1966, but only a slight decline is seen for fed cattle. Reduced beef supplies and continued brisk demand point to strong cattle prices with all classes benefiting.

Hog slaughter will be larger and prices lower next year as the production buildup continues. However, prices should stay high enough to bring further moderate gains in output.

The seasonal patterns of hog production and prices probably will follow more normal courses in 1967 than they have this year. Prices can be expected to rise from early in the year to a high during the summer and then decline to a low during the fall. This would be in contrast to 1966 when hog prices were highest in February.

Smaller beef supplies, especially after midyear, will auger well for hog prices next year; however, broiler production gains may be a weakening factor.

**POULTRY AND EGGS:** The prospect here is for egg output, which held steady this year, to show the largest rise in more than a decade, temporarily reversing the 15-year downtrend in per capita egg consumption.

Broiler output likely will rise about as fast as in 1965 and 1966—5 to 10 percent. Growth in turkey production probably will not match the 11-percent gain this year but should be in line with increases of the past 2 years—or around 5 percent.

In boosting output, poultrymen are responding to a long stretch of pretty good prices. Except for some weakness in the fall of 1965, prices had been rising for more than 2 years until the recent sharp decline. Turkey prices also rose during the past 2 years. Strength in egg prices didn't mount last year until the second half, but this year they have averaged the highest since 1958.

**DAIRY:** Milk production is forecast to increase moderately over the 121½–122 billion pounds in prospect for 1966. Cow numbers likely will decline at a lesser rate than this year, and gains in output per cow are expected to be offsetting.

Milk prices likely will average above the \$4.85 per 100 pounds expected this year. But the gain will be well below the 14-percent rise anticipated from 1965 to 1966.

The dairy price-support level of \$4 per 100 pounds for manufacturing milk has been continued until March 31, 1968. Government price-support purchases of manufactured dairy products have dropped sharply this year but may rise somewhat in 1967.

**FEED GRAINS:** The feed grain supply for 1966–67 is estimated at 201 million tons, 7 percent below a year earlier. Continued strong domestic and foreign demand is expected to maintain total use near the 1965–66 record high of 174 million tons.

The crop, estimated October 1 at 158 million tons, again will be well below likely needs. This would drop the carryover further—probably under 30 million tons at the start of 1966–67, down from 43 million a year earlier.

Exports in the past marketing year jumped a third over 1964–65. With larger crops and exportable surpluses in other countries, U.S. shipments in 1966–67 aren't expected to change much from the 29 million tons shipped during 1965–66.



Smaller supplies and continued strong demand point to prices this marketing year averaging somewhat above the past 2 years. However, any gain is likely to be much smaller later in the feeding year than this fall and winter.

**WHEAT:** Total use is expected to decline sharply from the record high in 1965-66. This decline, balanced against a smaller supply, will mean a further reduction in carryover stocks, but the cut isn't likely to be nearly as large as the 282-million-bushel decline during 1965-66. The extent of Government program exports during the remaining months of 1966-67 is the major uncertainty in the carryover estimate.

Total exports are estimated at 100-125 million bushels below last year's record 367 million. Domestic use also is expected down, chiefly due to an anticipated reduction in use of wheat for feed.

Prices declined some 15 percent from mid-July to early October, then recovered slightly in mid-October, but were always well above loan. The season-average price received by farmers may be around 10-20 percent above last year's \$1.34 a bushel.

**SOYBEANS:** Prices to farmers are expected to average well above the 1966 support rate of \$2.50 a bushel.

The supply may total a record 963 million bushels, up 90 million from the past season. But demand continues to rise; most of the 1966 crop will be used, pointing to another small carryover next September 1.

Prices in October, a big month for harvesting and marketing, averaged \$2.73 a bushel, up from \$2.31 a year earlier. Large quantities apparently are being stored this year; last year farmers sold heavily during harvest.

Although prices should stay favorable through 1966-67, a rise like last season (from \$2.31 per bushel in October 1965 to \$3.49 in August 1966) isn't in prospect. Instead, look for only a moderate gain from seasonal lows this fall to spring highs. In some past years when prices were high at harvest and farmers held back their beans, prices later declined contrary to the usual pattern.

**COTTON:** A sharp drop in production this year, rising exports, and continued large domestic mill use point to a deep cut in U.S. stocks. By next August they may total around 13 million bales, down from the record high of nearly 17 million this past summer.

Production is being trimmed more than a fourth from last year primarily because of a cutback in acreage. Disappearance is expected to total around 14½ million bales this marketing year, up 2 million from 1965-66.

Exports likely will be in the neighborhood of 5 million bales in 1966-67, up sharply from 2.9 million this year. U.S. mill consumption may reach about 9.6 million bales, up slightly from 1965-66 and the most since 1950-51.

**TOBACCO:** Flue-cured and burley output is below anticipated 1966-67 domestic use and exports. Thus, carryovers at the start of 1967-68 will decline for the second year in a row from their peaks in 1965-66.

U.S. cigarette use (including Armed Forces overseas) in 1966 may total 2 percent above last year. The rise in the smoking age population, high levels of consumer income, and substantial shipments to oversea forces will likely result in some further gain in use during 1966-67.

Exports of unmanufactured leaf this year may be the largest in 11 years—around 600 million pounds, farm-sales weight. Exports in the year ending June 30, 1967, are likely to be substantially above 1965-66.



# Farmworkers Come and Go With Seasons

Because of the varying need for labor during the growth cycle of agricultural products, farmwork has always been highly seasonal. As a result, the total number of hired farmworkers during a year is considerably larger than the number employed in any one month.

About a fourth of the farm wage-workers are employed on farms rather regularly. But when crops must be cultivated or harvested in a hurry, large numbers of short-term workers are needed. When the jobs end, farmworkers look for other kinds of work or leave the labor force.

About 3.4 million persons worked on farms for cash wages or salaries during 1964. The monthly employment level ranged from 800,000 in the early part of the year to 1.9 million during the

summer months. Peak monthly employment was  $1\frac{1}{2}$  times the average for the year.

Short-term employees are largely students, housewives, and workers employed at nonfarm occupations most of the year. They work on farms mostly during the summer and early fall. The number of students and housewives employed in a peak month was more than double their average monthly employment during 1964.

Workers employed regularly at farmwork during the year (both farm operators and hired workers) showed a less-than-average seasonal fluctuation during 1964. Work for this group was spread more evenly throughout the year.

*Economic Research Service*

## FARM WORK FORCE SLIPS AGAIN IN '65

The number of persons working on farms continued to decline in 1965. The farm working force includes operators, unpaid members of their families, and hired workers.

This total has been dropping ever since it peaked at about  $13\frac{1}{2}$  million in 1916. At the time, the overall farm population was also at its top mark, in the neighborhood of  $32\frac{1}{2}$  million.

Although the general reduction in both the farm population and the number of farmworkers has been underway for at least half a century, much of the meaningful drop has occurred in the past decade and a half. In 1950 the farm population was about 23 million and farm employment averaged around 10 million. Operators and unpaid family help counted near 7.6 million, while the rest were hired workers.

By 1965 the farm population was down to 12.4 million. Farmworkers averaged 5.6 million with an average of 1.5 million in the hired worker category.

Between 1950 and 1965, numbers of hired workers dropped 36 percent. The drop has been the most rapid in the

southeastern United States because of increased mechanization of cotton production and continuing disappearance of small farms.

The average hired farm working force was 1.5 million in 1965. However, a total of about 3.1 million persons did some farm wagework that year. (The group includes persons 14 years old and older in the civilian non-institutional population who did farmwork for cash wages or salary.)

The 1965 hired force was 70 percent male, and 70 percent were white. The median age was 24.6 years. Workers earned \$7.55 a day in cash wages from farm employment, and averaged 85 days of such work to earn \$650.

Casual workers, those employed less than 25 days on farms, totaled just under 1.3 million last year. Noncasual workers, those working 25 days or more, numbered just under 1.9 million.

Casual workers averaged 9 days of farm employment for which they received \$66 in 1965. The noncasual persons averaged 137 days on farms for \$1,045.

*Economic Research Service*

# HERBICIDES IN CORN MORE COSTLY THAN CONVENTIONAL TILLAGE CONTROL

If you're a midwestern corn producer, foxtail probably is one of your worst weed enemies. And the odds are about 1 in 4 that you've already used a pre-emergence herbicide to fight it.

Although preemergence herbicides for foxtail and other grasses in corn are becoming widely used in the Corn Belt, not much cost information has been available.

A recent study in Illinois, in cooperation with the University of Illinois, sheds some light on the economics of preemergence herbicides versus conventional cultivation. The analysis was made assuming the use of a four-row planter and cultivator, a 39-h.p. tractor for planting, and a 56-h.p. tractor for cultivation.

The results showed that herbicides are more expensive per acre in controlling weeds than common cultivation methods, if the latter do the job all right.

For example, the cheapest method of applying the herbicide was in liquid form in a 12-14-inch band on the row, followed by one cultivation. Costs, assuming the sprayer tank was filled at the farmstead rather than from a nurse tank, ranged from \$7.25 per acre for 100 acres to \$4.64 for 600 acres. In contrast, costs of conventional tillage (one rotary hoeing and two cultivations) were \$5.83 per acre for 100 acres and \$2.97 for 600 acres.

Four other methods of applying the herbicide were studied: Liquid banding with one rotary hoeing and one cultivation, granule banding with one rotary hoeing and one cultivation, granule banding with one cultivation, and liquid broadcasting with no cultivation. All were more expensive than liquid banding, then cultivating once.

Since herbicides, as well as insecticides and fertilizer, most often are applied at planting time, application costs for different methods include the labor for the entire planting operation.

The granular materials did save time over the liquid. Applying the liquid from a nurse tank in the field added about 6 minutes per acre to total planting time. Applying the granular herbi-

cide added only 1-2 minutes per acre. However, the price of the granules per acre was much more than the liquid.

Although all methods of controlling weeds with herbicides are more costly than conventional tillage, the chemicals have other advantages. For example, in rainy seasons they reduce the risk of not being able to cultivate weeds at the right time. Wet seasons make conventional weed control particularly difficult on soils with a high clay content, poor subsoil drainage, or on fields subject to flooding.



Remember that herbicides, like other pesticides, should be handled with care and properly disposed of. They can be injurious to humans, animals, desirable plants, and wildlife. They

also may contaminate water supplies.  
*Economic Research Service*

## Corn-Clusive

The farm income picture, bright nationally last year, was particularly so in the Corn Belt. Net returns were higher than in 1964 for all four important types of commercial Corn Belt farms.

Net receipts for hog fattening-beef raising farms rose 86 percent from 1964 to \$7,927. Hog-beef fattening operators netted \$16,488, up 76 percent from a year earlier. Hog-dairy farmers netted \$10,543, a 57-percent gain. Cash grain returns, at \$13,522, were up 4 percent.

Changes in production and prices received were the major factors influencing 1965 Corn Belt returns. Net production was record high on all four types of farms. Prices received were also above 1964 for all but the cash grain producers, who nevertheless saw larger grain output more than offset the lower prices.



# SAM STAT SAYS "RUN THAT BY AGAIN"

## A Recap of Recent SRS Reports . . .

### WHEAT AND FEED GRAIN STOCKS

Wheat stocks on October 1 were 16 percent below a year earlier and were the lowest October 1 holdings since 1952. Durum wheat holdings were 20 percent under the level of a year earlier but 13 percent above average.

Stocks of the four feed grains totaled 58 million tons—20 percent below last year and 36 percent less than average, according to the Crop Reporting Board. Stocks of each of the feed grains were below a year earlier; the combined October 1 tonnage was lowest since 1954.

All wheat in storage on October 1 totaled 1,400 million bushels—the smallest October 1 stocks since 1952. Most of the decline from last year occurred in off-farm stocks. Off-farm stocks, at 899 million bushels, were 22 percent below a year earlier and the lowest in 14 years. Farm stocks totaled 54 million bushels, 4 percent below last year but 16 percent above average.

Old corn carryover stocks on October 1 totaled 866 million bushels—26 percent less than a year earlier, 48 percent

less than average, and the smallest October stocks since 1953. Stocks on farms, at 540 million bushels, were 11 percent less than last year and 3 percent less than average. Corn under Government loan accounted for 56 percent of the October 1 farm stocks, compared with 65 percent a year earlier. Corn held in off-farm positions totaled 326 million bushels, 42 percent less than last year and the smallest total since 1952.

Oat stocks totaled 861 million bushels, 9 percent less than a year earlier and 11 percent below average. On-farm holdings were below last year while off-farm stocks were above.

Barley stocks totaled 388 million bushels, 3 percent less than a year earlier and 12 percent below average. Holdings were below those of October 1 a year ago in both farm and off-farm positions.

Sorghum grain carryover stocks totaled 393 million bushels, 31 percent less than last year and 40 percent less than average. About 86 percent of all holdings were in off-farm positions and virtually all stocks were either owned by CCC or under Government loan.

### FEWER SHEEP ON FEED

Sheep and lambs on feed in 7 major feeding States totaled 1,649,000 head on November 1. This is 4 percent below a year earlier. Numbers were down in each State except Texas.

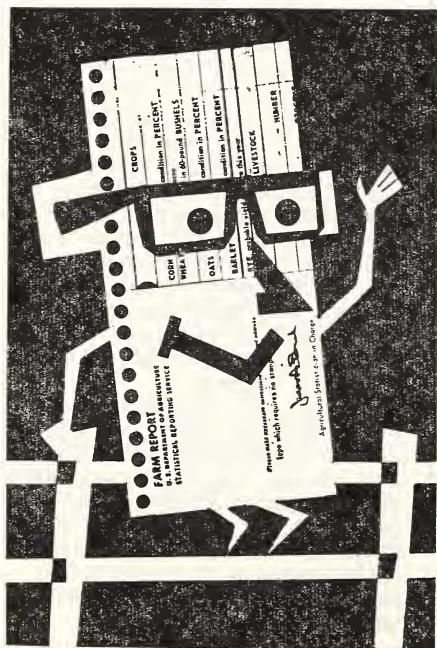
The number of sheep on feed on November 1 in each of the weight groups was less than a year earlier for the seven major sheep-feeding States.

### RICE STOCKS

Rough rice stocks of 1,815,000 equivalent 100-pound bags in all storage positions on October 1 were 17 percent above last year's small holdings. Stocks were the third lowest for the date since estimates were started in 1956.

### FERTILIZER USE JUMPS

Commercial consumption increased 8 percent for the year ended June 30, 1966. Big usage gains in the Corn Belt and Great Plains offset declines mainly in cotton-producing States.





Cigarettes are continuing their long-run gain. Calendar 1966 output is estimated at a record 570 billion, 13 billion above 1965.

Cigar and cigarillo output has been slipping, but is well above the 1963 level. Output of small cigars (those about cigarette size) is a little above last year.

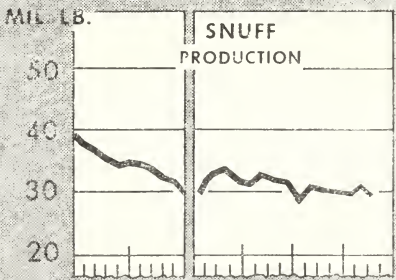
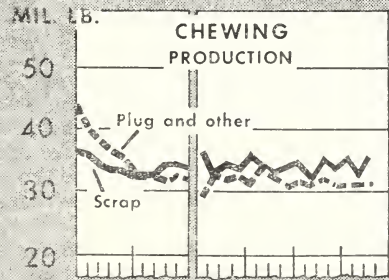
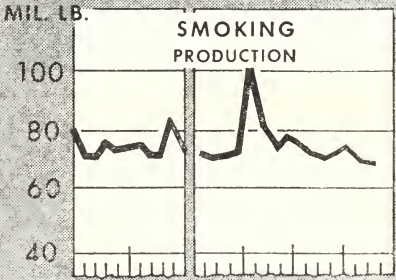
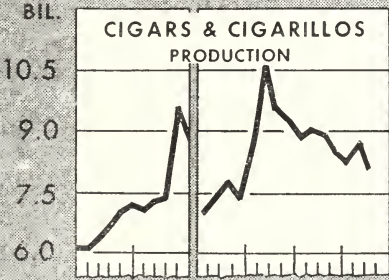
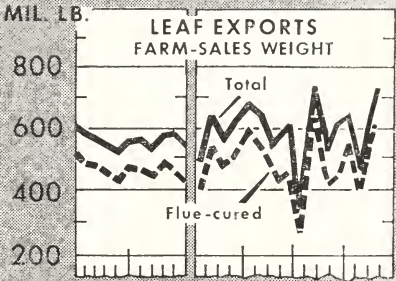
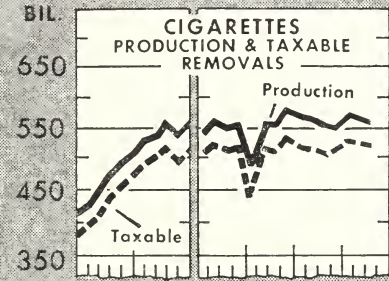
Total chewing tobacco production

seems to be holding its own this year at the 1965 level. Smoking tobacco output is estimated 2½ percent below a year earlier while snuff production is figured down slightly.

Exports of unmanufactured tobacco in calendar 1966 may be around 600 million pounds, farm-sales weight. This would be about 14 percent above 1965 and the most in 11 years.

# TOBACCO OUTLETS

## Recent Trends in Manufactured Products and Exports



1955 '60 '63 '64 '65 '66

1955 '60 '63 '64 '65 '66

ANNUAL QUARTERLY, SEASONALLY ADJUSTED, AT ANNUAL RATES

ANNUAL QUARTERLY, SEASONALLY ADJUSTED, AT ANNUAL RATES

# MEET THE STATE STATISTICIAN . . .



## JOE HERMAN

After wartime service in India, Peking, and West China between 1942 and 1946, Joe spent 10 years in the Texas Crop Reporting Office. In 1956 he came to Washington, D.C., and worked 4 years in the Standards and Research Division of the Statistical Reporting Service. In 1960 he joined the Survey Operations Group, SRS. He was appointed to his present post in April 1964.

Joe's biggest problem by far is the long distance between New Mexico's farms and ranches. This means considerable travel for enumerators and much correspondence for his office and the crop reporters. However, Joe says he can't remember missing any deadlines.

A unique phase of Joe's present assignment is getting crop and livestock data from farms and ranches on Indian reservations. Although he obtains most such reports from the agents' offices, some come directly from the farms. Joe is grateful for their fine cooperation.

Joe was born on a farm not far from Soper, Okla. His parents taught for many years in nearby Nelson. Joe attended the same school and he says his dad really made him toe the mark.

Joe met his wife, the former Jane Goff, while both were attending Southeastern College. They were married a few years before he entered the Army. Jane taught for a while before the war. Now both busy themselves with community and church work.

The Hermans have two sons. Joe Junior, studying engineering at New Mexico State University, has his father's flair for math. Glenn attends Abilene Christian College in Texas. Joe and his sons are enthusiastic hunters and fishermen, rarely letting a season go by without at least trying to get a deer or taking a fishing trip together.

With more than a quarter-century of Government service to his credit, Joe D. Herman is now in charge of the office where he was once a junior statistician—the New Mexico Crop Reporting Service office, Las Cruces.

Except for a 4-year hitch as a meteorologist in the Army Air Corps during World War II, Joe has worked constantly with agricultural numbers since 1940. But his association with USDA goes back to 1934. While a student at Southeastern State College, Durant, Okla., Joe worked summers as a compliance checker for the Agricultural Adjustment Administration. After he received his degree in mathematics in 1938, he went full-time with the AAA in Durant.

In 1939 Joe transferred to the Farm Security Administration, Coalgate, Okla., where he was assistant supervisor, and later that year, acting supervisor. The following year, he went with the Crop Reporting Service in Las Cruces, beginning his climb upward in agricultural statistics.



# Food Spending Rises But Takes Less of Income; More Meals Eaten Out

December 1966

Since World War II, at least two important changes in family food spending have special meaning for people in agriculture. One is the declining share of total family spending going for food. The other is the declining share of rural families' food that is home produced.

Since 1947, the percentage of disposable personal income spent by families for food (excluding alcoholic beverages) has dropped from almost 26 to 18.2.

The value of all food used at home and away by U.S. households rose from \$30 a week in 1955 to \$35 last year. In 1955, about \$5 of the total went for meals and snacks away from home. Last year the figure rose to \$6 a week.

Changes in spending for food away from home haven't been as large as expected considering the gain in real income, numbers of working wives, and off-farm jobs.

A 1965 survey shows that the share of the food dollar spent away from home increases sharply as the family's income rises. At \$3,000 or less a year, families average 12 percent of their \$17 per week for food for meals out. At \$5,000-\$6,999, 12 percent of the \$36 goes for food away from home. And at \$10,000 and over, about 27 percent of the family food budget is for eating out.

Food spending patterns for farm families have changed sharply during the past decade. Farm families spent more for food away from home in 1965 than in 1955, almost \$4 compared with about \$2. Spending for food at home also rose, from \$15 to \$21. Some of this increase was due to higher food prices and some to trends away from using home-produced food.

These figures support observations that the farm family's way of life is becoming more like the urbanite's. Off-farm work probably has had a lot to do with the changes. Farm families likely eat more meals away from home while doing off-farm jobs. And such employment means less time to raise gardens or keep farm animals and poultry for home use.

## In This Issue

	Page
Hawaii.....	1
Outlook '67.....	3
Food Aid.....	6
California.....	7
Commodity Review.....	8
Herbicides.....	11
Sam Stat Sez.....	12
Tobacco.....	13
State Stat.....	14

All Articles May Be  
Reprinted Without Permission  
Editor: Marilyn H. Grantham





UNITED STATES  
DEPARTMENT OF AGRICULTURE  
STATISTICAL REPORTING SERVICE  
WASHINGTON, D.C. 20250  

---

OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE